

**VETERANS MEMORIAL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUN 13 2012**

VETERANS MEMORIAL DISTRICT
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2011

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VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011

The following narrative is presented to facilitate a better understanding of the year-end financial position and results of operations for the year ended December 31, 2011. When read in conjunction with the notes to the financial statements, this section's financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the financial performance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in the independent auditor's report, located immediately following this MD&A, that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements (GWFS)

One of the most important questions asked about finances is, "Is the Veterans Memorial District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities (GWFS) report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These GWFS report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the Veterans Memorial District.

VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011

Fund Financial Statements (FFS)

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. The Lafourche Parish Veterans Memorial District utilizes mainly the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The FFS provide a detailed short-term view of the general government operations and the basic services provided. FFS information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (GWFS) and governmental funds (FFS) in reconciliation at the bottom of the fund financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's initial year of operations:

- Assets exceeded liabilities by \$ 1,165,324 (net assets).
- Total net assets are comprised of the following:
 - (1) Invested in capital assets of \$924,689 including equipment, net of accumulated depreciation and net of related debt.
 - (2) Restricted for debt service of \$41,964.
 - (3) Unrestricted net assets of \$198,671 representing the balance available to fund programs and activities for veterans.
- Total spending for all governmental activities was \$163,717 for the year with no programs revenues in the current year.
- The general revenues used to offset the deficit for program expenses totaled \$418,530 for the year.
- The governmental funds reported total ending fund balance of \$243,668, of which \$201,704 was considered unassigned and \$41,964 was restricted for debt service.
- Total revenue reported for all governmental funds was \$418,530 and expenditures were \$545,854, including \$338,901 of capital expenditures and \$90,850 of debt service expenditures. This resulted in an excess of expenditures over revenues for the year of \$127,324.

VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

The Statements of Net Assets includes all of the assets and liabilities and provides information about the nature and amount of investments in resources and the obligations to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

To begin our analysis, a condensed summary of the Statement of Net Assets is presented in the following table:

Condensed Statement of Net Assets

	2011	2010	Dollar Change	Total Percent Change
Current and Other Assets	\$ 788,994	\$ 828,956	\$ (39,962)	-4.8%
Capital Assets	1,184,689	883,485	301,204	34.1%
Total Assets	1,973,683	1,712,441	261,242	15.3%
Current Liabilities	548,359	461,930	86,429	18.7%
Long Term Liabilities	260,000	340,000	(80,000)	-23.5%
Total Liabilities	808,359	801,930	6,429	0.8%
Invested in Capital Assets	924,689	543,485	381,204	70.1%
Restricted	41,964	41,964	-	0.0%
Unrestricted	198,671	325,063	(126,392)	-38.9%
Total Net Assets	\$ 1,165,324	\$ 910,512	\$ 254,812	28.0%

Approximately \$924,689 or 79% of the net assets reflects the investment in capital assets (monument and water fountain cost, land improvements and equipment) less any related outstanding debt used to acquire those assets. Another \$41,964 of the net assets is restricted for debt service.

Net assets increased by \$254,812 during 2011. The table following provides a summary of the changes in net assets:

VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011

Condensed Statement of Activities

	2011	2010	Dollar Change	Total Percent Change
Program Expenses:				
Current	\$ 126,021	\$ 96,070	\$ 29,951	66.5%
Depreciation and Interest	37,696	38,209	(513)	-90.1%
Total program expenses	<u>163,717</u>	<u>134,279</u>	<u>29,438</u>	<u>21.9%</u>
General revenues	<u>418,530</u>	<u>373,429</u>	<u>45,101</u>	<u>12.1%</u>
Change in Net Assets	<u>254,813</u>	<u>239,150</u>	<u>15,663</u>	<u>6.6%</u>
Net Assets:				
Beginning of the year	<u>910,511</u>	<u>671,362</u>	<u>239,149</u>	<u>35.6%</u>
End of the year	<u>\$ 1,165,324</u>	<u>\$ 910,512</u>	<u>\$ 254,812</u>	<u>28.0%</u>

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the financing requirement. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending.

The governmental funds reported combined ending fund balances of \$243,668. Certain balances in the total are *restricted* to indicate that it is not available for new spending and are restricted to payment of debt service of \$41,964.

The General Fund ended the year with a fund balance of \$201,704, all considered unassigned. During the year the General Fund recorded \$418,530 in ad valorem tax revenues and expended \$116,102 in current expenditures, the largest amount of that was for transportation costs (\$64,977). Capital outlay purchases of \$338,901 were made for property improvements, office construction (such as a building), and monument improvements (such as a statue and artwork for statue). The General Fund also transferred out \$90,850 to the Debt Service Fund, resulting in a net decrease in fund balance of \$127,324.

The Debt Service Fund ended the year with a fund balance of \$41,964 – all considered restricted for the repayment of debt. After the transfer in from the General fund and payments of principal of \$80,000 and interest and fiscal charges of \$10,850, the decrease in net assets was \$0.

VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011

GENERAL FUND BUDGETARY HIGHLIGHTS

The District budgets conservatively. Revenues are budgeted based on historic trends. Expenditures are budgeted based on the previous adopted levy. There were no amendments to the original budget for the General Fund during the year.

General fund revenues exceeded budget by \$88,530 due to more ad valorem property taxes collected than expected.

Expenditures were lower than budget by \$115,946. Capital expenditures were over budgeted by \$81,099.

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental activities was as follows:

	2011	2010
Land	\$ 230,000	\$ 230,000
Construction In Progress	345,741	26,602
Land Improvements	98,809	95,559
Equipment	82,354	74,606
Monument Cost	515,645	506,881
Water Fountain	73,267	73,267
Office Supplies	1,777	1,777
Total Cost	1,347,593	1,008,692
Accumulated Depreciation	162,904	125,207
Net Capital Assets	<u>\$ 1,184,689</u>	<u>\$ 883,485</u>
Depreciation Expense	<u>\$ 37,696</u>	<u>\$ 38,209</u>

This year there was \$338,901 of additions and depreciation expense of \$37,696. More detailed information about the capital assets is presented in Note 6 to the basic financial statements.

VETERANS MEMORIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2011

LONG-TERM DEBT

At year-end, \$260,000 in general obligations bonds was outstanding. Payments of \$80,000 of principal and \$10,500 in interest payments were made during the year. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

NEXT YEAR'S BUDGET

Highlights of next year's adopted budget follows:

Beginning Fund Balance	\$ 292,242
Projected Revenue	345,000
Projected Expenditures:	
Current	(195,600)
Capital outlay	(340,000)
Debt Service	(95,000)
Total Expenditures	(630,600)
Ending Fund Balance	<u>\$ 6,642</u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Veterans Memorial District finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Larry Raymond, Treasurer
16937 Hwy 3235
Cut Off, LA 70345
985-632-4317

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Veterans Memorial District
Larose, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Veterans Memorial District as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Veterans Memorial District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Veterans Memorial District as of December 31, 2011, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Veterans Memorial District
Larose, Louisiana
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In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2012, our consideration of the Veterans Memorial District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information, as listed in the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Stagni & Company

Thibodaux, Louisiana
May 14, 2012



VETERANS MEMORIAL DISTRICT

Statement of Net Assets

December 31, 2011

ASSETS

Cash	\$	321,896
Receivables:		
Taxes receivable		113,248
Due from Tax Collector		341,392
Deposits		12,458
Capital Assets, Net of Accumulated Depreciation		<u>1,184,689</u>
TOTAL ASSETS		<u>1,973,683</u>

LIABILITIES

Accounts Payable	90,686
Deferred revenue	454,640
Interest payable	<u>3,033</u>
TOTAL CURRENT LIABILITIES	<u>548,359</u>
LONG TERM LIABILITIES:	
Due in one year	85,000
Due in more than one year	<u>175,000</u>
TOTAL LIABILITIES	<u>808,359</u>

NET ASSETS

Investment in capital assets	924,689
Restricted for debt service	41,964
Unrestricted	<u>198,671</u>
TOTAL NET ASSETS	<u>\$ 1,165,324</u>

See notes to financial statements.

VETERANS MEMORIAL DISTRICT

Statement of Activities

For the Year Ended December 30, 2011

	Program Revenues:				
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expenses)/Revenue	
Governmental Activities					
Professional Fees	\$ 2,000			(\$2,000)	
Secretary Cost	1,800	-		(1,800)	
Transportation Cost	64,977			(64,977)	
Repairs and Maintenance	15,776			(15,776)	
Insurance	6,279			(6,279)	
Advertisement	523			(523)	
Supplies	12,798			(12,798)	
Taxes and Licenses	11,950			(11,950)	
Interest paid on debt	9,918			(9,918)	
Depreciation	37,696			(37,696)	
Total Governmental Activities	\$ 163,717	\$ -	\$ -	(163,717)	
General Revenues:					
Ad Valorem Taxes				418,530	
Total General Revenues				418,530	
Change in Net Assets				254,813	
Net Assets:					
Beginning				910,511	
Ending				\$ 1,165,324	

See notes to financial statements.

VETERANS MEMORIAL DISTRICT
Balance Sheet - Governmental Funds
December 31, 2011

	General Fund	Debt Service Fund	Totals
ASSETS			
Cash	\$ 279,932	\$ 41,964	\$ 321,896
Receivables:			
Taxes receivable	113,248	-	113,248
Due from tax collector	341,392	-	341,392
Deposits	12,458	-	12,458
	<u>\$ 747,030</u>	<u>\$ 41,964</u>	<u>\$ 788,994</u>
LIABILITIES			
Accounts and retainages payable	\$ 90,686		\$ 90,686
Deferred Revenue	454,640		454,640
TOTAL LIABILITIES	<u>545,326</u>		<u>545,326</u>
FUND EQUITY			
Fund Balances:			
Restricted for Debt Service	-	\$ 41,964	41,964
Unassigned	201,704	-	201,704
TOTAL FUND EQUITY	<u>201,704</u>	<u>41,964</u>	<u>243,668</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 747,030</u>	<u>\$ 41,964</u>	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: 1,184,689

Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable		(3,033)
Bonds payable - current	(85,000)	
Bonds payable - long term	<u>(175,000)</u>	
		<u>(260,000)</u>

Net assets of governmental activities \$ 1,165,324

See notes to financial statements.

VETERANS MEMORIAL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 30, 2011

	General Fund	Debt Service Fund	Totals
REVENUES			
Ad Valorem Taxes	\$ 418,530	\$ -	\$ 418,530
Total Revenues	<u>418,530</u>	<u>-</u>	<u>418,530</u>
EXPENDITURES			
Current:			
Professional Fees	2,000	-	2,000
Secretary Cost	1,800	-	1,800
Transportation Cost	64,977	-	64,977
Repairs and Maintenance	15,776	-	15,776
Insurance	6,279	-	6,279
Advertisement	523	-	523
Supplies	12,798	-	12,798
Utilities	11,950	-	11,950
Total Current	<u>116,103</u>	<u>-</u>	<u>116,103</u>
Capital Outlay	338,901	-	338,901
Debt Service:			
Principal	-	80,000	80,000
Interest and fiscal charges	-	10,850	10,850
Total Debt Service	<u>-</u>	<u>90,850</u>	<u>90,850</u>
Total Expenditures	<u>455,004</u>	<u>90,850</u>	<u>545,854</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer in (out)	(90,850)	90,850	-
NET CHANGE IN FUND BALANCE	<u>(127,324)</u>	<u>-</u>	<u>(127,324)</u>
FUND BALANCE			
Beginning of year	329,028	41,964	370,992
End of year	<u>\$201,704</u>	<u>\$41,964</u>	<u>\$243,668</u>

See notes to financial statements.

VETERANS MEMORIAL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 30, 2011

Net change in fund balances - governmental funds **\$ (127,324)**

Amounts reported for *governmental activities* in the Statement of Activities
(government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities the cost of those assets are
allocated over their useful lives and reported as depreciation
expense.

Capital outlay	\$ 338,901	
Depreciation expense	<u>(37,696)</u>	
Amount by which depreciation exceeded capital outlays		301,205

Other expenses reported in the Statement of Activities that do not
require current financial resources:

Increase in interest payable	932
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For governmental funds, the incurrence of long-term debt provides
current financial resources and the repayment of long-term
obligations consumes current financial resources. Neither
transaction has any effect on net assets.

Principal paid on long term debt	<u>80,000</u>
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Change in net assets of governmental activities	<u>\$ 254,813</u>
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See notes to financial statements.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2011

The Veterans' Memorial District of Ward 10 of Lafourche Parish was created by the Legislature of Louisiana in its Regular Session, 2005. Provided by R.S. 33:9356 approved the governing authority shall consist of a Board of 9 Commissioners who are electors domiciled in Ward 10 of Lafourche Parish, and a minimum of six members shall be honorable discharged veterans' posts in Ward 10, one member each selected and appointed by the Lafourche Parish President, State Senator representing District 20, and State Representative representing District 54 serving different terms. A board member may be removed for cause by the Lafourche Parish Council.

The Board has the powers and duties of a governing body as provided by law, except the approval of the Lafourche Parish Council must first be obtained prior to any of the following actions by the Board:

- Adoption of annual budget
- Purchase, sale, or encumbrance of immovable property
- Submitting for voter approval a proposed renewal or increase in ad valorem taxes
- Any other matter or action as determined by ordinance adopted by the Lafourche Parish Council.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the Lafourche Parish Council is considered to be the primary government for financial reporting purposes for the Parish of Lafourche.

Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Reporting Entity (Continued)

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or imposes specific financial burdens on the council. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the fact that the Parish Council appoints the voting majority of the Board of Commissioners of the District, the District is considered a component unit of the Lafourche Parish Council, if applying the criteria above.

C. Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

C. Fund Accounting (Continued)

Governmental Funds

General Fund - The General Fund is used to account for all financial resources and expenditures except those that are required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

D. Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus / Basis of Accounting (Continued)

Revenues – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2010 property taxes which were levied to finance the 2011 budget are recognized as revenue in 2011. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

Expenditures – The major expenditures current supplies, insurance and audit and accounting fees are recorded when payable or when the fees are incurred.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

F. Operating Budgets

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District. The Board, as allowed by state law, does not obtain public participation in the budget process. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

G. Cash

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. Receivables

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

I. Capital Assets

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

CATEGORY	LIFE
BUILDINGS	25 YEARS
TRUCKS	15 YEARS
EQUIPMENT	5 YEARS

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

J. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

K. Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Judges through approval in minutes. Assigned fund balances is a limitation imposed by a designee of the Judges. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Note 2 DEPOSITS AND INVESTMENTS

Deposits:

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At December 31, 2011, the reported amount of deposits was \$321,896 and the bank balance was \$323,370.

Custodial credit risk is the risk that in an event of a bank failure, the district's deposits may not be returned to it. Of the total deposit balance \$73,370 is considered exposed to custodial credit risk. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all time equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The District has securities pledged of \$377,873.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 2 DEPOSITS AND INVESTMENTS (Continued)

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 AD VALOREM TAXES

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law.

A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2008. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes.

The 2010 property tax levy is recognized as revenue in fiscal 2011. The 2011 property tax levy is recognized as a receivable in fiscal 2011. The tax rate for each of the years ended December 31, 2010 and 2011 was \$0.98 per \$1,000 of assessed valuation on property within Lafourche Parish Veterans Memorial District for the purpose of constructing and maintaining a monument and the retirement of general long term debt, principal, interest, and related costs for the District.

Note 4 COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members during the year ended December 31, 2011.

Note 5 DUE FROM OTHER GOVERNMENTAL UNITS

The amounts due from other governmental units at December 31, 2011 consisted of ad valorem tax collections due from the Lafourche Parish Tax Collector to be remitted to the District in January 2011.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 6**CAPITAL ASSETS**

A schedule of changes in capital assets follows:

Governmental activities	Balance 12/31/10	Additions	Deletions/ Adjustment	Balance 12/31/11
Land	\$ 230,000			\$230,000
Construction In Progress	26,602	319,139		345,741
Monument	506,881	8,764		515,645
Water Fountain	73,267			73,267
Improvements	95,559	3,250		98,809
Equipment	74,606	7,748		82,354
Office Equipment	1,777			1,777
Total Assets	\$1,008,692	\$338,901		\$1,347,593

Less accumulated depreciation:

Monument	\$47,564	\$17,214		\$64,778
Water Fountain	11,298	3,673		14,971
Improvements	12,451	4,284		16,735
Equipment	53,396	12,169		65,565
Office Equipment	498	355		853
Totals	\$125,207	\$37,695		\$162,902
Capital assets, net	\$883,485			\$1,184,691

Depreciation expense for the year was \$37,695 recorded as governmental activities.

VETERANS MEMORIAL DISTRICT

Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 7 LONG TERM DEBT

At December 31, 2011, the District had assumed the debt of a Certificate of Indebtedness, Series 2004 dated May 1, 2004 bearing interest at a rate of 3.5% per annum payable through March 1, 2014.

A summary of changes in long-term obligations of the District is as follows:

	Payable December 31, 2010	Additions	Deletions	Payable December 31 2011
COI Series 2004	\$340,000		\$80,000	\$260,000
TOTALS	\$340,000		\$80,000	\$260,000

The annual requirements, including interest, to amortize all long-term debt outstanding at December 31, 2011 are as follows:

MATURITY	Principal	Interest	TOTAL
2012	85,000	9,100	94,100
2013	85,000	6,125	91,125
2014	90,000	3,150	93,150
Totals	\$260,000	\$18,375	\$278,375

Note 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

REQUIRED SUPPLEMENTAL
INFORMATION

VETERANS MEMORIAL DISTRICT
Budget Comparison Schedule
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES:		no amendments		
Ad Valorem Taxes	\$ 330,000	\$ 330,000	\$ 418,530	\$ 88,530
Total Revenues	<u>330,000</u>	<u>330,000</u>	<u>418,530</u>	<u>88,530</u>
EXPENDITURES:				
Current:				
Secretary Cost	4,500	4,500	3,800	700
Transportation Cost	70,000	70,000	64,977	5,023
Repairs and Maintenance	30,000	30,000	15,776	14,224
Insurance	6,500	6,500	6,279	221
Advertising & Promotion	600	600	523	77
Supplies	20,200	20,200	12,798	7,402
Utilities	15,000	15,000	11,950	3,050
Total Current	<u>146,800</u>	<u>146,800</u>	<u>116,103</u>	<u>30,697</u>
Capital Outlay	420,000	420,000	338,901	81,099
Debt Service	95,000	95,000	90,850	4,150
Total Expenditures	<u>661,800</u>	<u>661,800</u>	<u>545,854</u>	<u>115,946</u>
NET CHANGE IN FUND BALANCE	(331,800)	(331,800)	(127,324)	204,476
FUND BALANCE:				
Beginning of year	341,784	341,784	370,992	29,208
End of year	<u>\$ 9,984</u>	<u>\$ 9,984</u>	<u>\$ 243,668</u>	<u>\$ 233,684</u>

REPORTS REQUIRED BY GOVERNMENT
AUDITING STANDARDS



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Veterans Memorial District
Larose, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Veterans Memorial District as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements and have issued our report thereon dated May 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Veterans Memorial District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a remote possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

To the Board of Commissioners
Veterans Memorial District
Larose, Louisiana
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Veterans Memorial District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
May 14, 2012



VETERANS MEMORIAL DISTRICT

Schedule of Current Year Findings For the Year Ended December 31, 2011

We have audited the financial statements of the governmental activities and each major fund of the Veterans Memorial District, as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements and have issued our report thereon dated May 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the financial statements as of December 31, 2011 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses **No**

Significant Deficiencies **Yes**

Compliance

Compliance Material to Financial Statements **No**

b. Federal Awards –

NOT APPLICABLE

Internal Control

Material Weaknesses ☐ Yes ☐ No

Significant Deficiencies ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐☐☐☐ Qualified ☐

For Major Programs Disclaimer ☐☐☐☐ Adverse ☐

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☐ No

c. Identification of Major Programs:

NOT APPLICABLE

Section II Financial Statement Findings

NONE

Section III Federal Award Findings and Questioned Costs

NOT APPLICABLE

